

ABSTRACT

A method for determining weightings of an investment portfolio selected from a range of domestic and international financial investments is illustrated in figure 1. The method commences (step 1) with dividing of the range of domestic and international financial investments into a plurality of groups, for example industry based groups. Step 2 of this method involves selecting one of the industry based groups. It is then necessary (step 3) to define a variable referred to in this document as the required_industry_weighting for the selected industry based group. This variable represents the preferred weighting which the investor proposes to give the selected industry group within the investment portfolio. Next (step 4) it is necessary to determine a variable referred to in this document as the available Domestic weighting for the selected industry based group. In an embodiment a domestic index is used to determine the available Domestic weighting, for example the ASX/S&P 200 index. Step 5 involves a consideration as to whether the available Domestic weighting equals or exceeds the required_industry_weighting. If the comparison of step 5 determines that the available Domestic weighting is equal to or exceeds the required_industry_weighting then the calculation of the mixture takes place at step 5A whereby the mixture consists exclusively of domestic financial investments. If the comparison of step 5 determines that the available Domestic weighting is less than the required_industry_weighting then the calculation of the mixture takes place at step 5B whereby the mixture consists of: domestic financial investments having a weighting substantially equal to said available Domestic weighting, and; international financial investments having a weighting substantially equal to the required_industry_weighting minus the available Domestic weighting. This procedure is repeated until mixtures have been calculated for all of the groups.